

DEPARTMENT OF THE AIR FORCE  
HEADQUARTERS UNITED STATES AIR FORCE  
WASHINGTON 25, D.C.



OSA-0019-63

#1066  
REPLY TO:  
Auditor General  
Comptroller, USAF  
Eastern District  
Liaison Office  
P. O. Box 8155  
S. W. Station  
Washington, D. C.

JOE

REPLY TO  
ATTN OF:

SUBJECT:

TO:

*Sanders  
NH-1420  
Proposal*

10 January 1963

Subject: Report on Evaluation of CPFF Contract Proposal  
Sanders Associates, Inc.  
Nashua, New Hampshire  
Proposal No. 90XY, as revised on 6 Dec., 1962

To : Contracting Officer

1. In accordance with referenced request, a review has been made of the subject contract proposal by the auditor. While some discussion has been held between representatives of the contractor and the auditor regarding the field service program, audit comments pertaining thereto are being held in abeyance pending receipt of a revised proposal for that activity.

25X1A

2. Costs embodied in the subject proposal amounting to  are recommended to the Contracting Officer for approval. The auditor has had several conferences with the contractor regarding these costs, and the amount represents the final determination of the proper estimated costs related to the work at hand.

3. Indirect expense rates applied by the contractor represent the forecasted rates for the period 1 August 1962 to 31 July 1963 and are as follows:

25X1A

*John C. McArthur*

Inasmuch as the rates represent the facility rates at the Nashua plant wherein the work is to be performed and since this is the initial attempt at refinement of a previously company-wide overhead rate, it was necessary for the auditor to study the forecast in concept for lack of an historical comparison to a previous fiscal period.

*W. F. Edwards*

W. F. EDWARDS  
Audit Liaison Officer  
Eastern District  
Auditor General